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IN THE

SUPREME COURT OF THE UNITED STATES

..... TERM, 197..

No. 74-1218

ALLEN HOMES, INC.,
Petitioner,

vs.

JACK WEERSING and ELK RIVER HOMES, INC.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI

To the United States Court of Appeals for the Eighth Circuit

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Now comes Petitioner, Allen Homes, Inc., a corporation existing under the laws of the State of Washington, by Anthony S. Zummer, of the Bar of this Court, and presents this Petition for Writ of Certiorari to the United States Court of Appeals for the Eighth Circuit, and represents as follows:

Petitioner, Allen Homes, Inc., a corporation of the State of Washington, by Anthony S. Zummer, of the Bar of this Court, respectfully prays that Writ of Certiorari issue to review the

judgment of the United States Court of Appeals for the Eighth Circuit in the below-identified cause, which judgment affirmed a judgment of the United States District Court for the Western District of Missouri.

OPINION BELOW

The opinion of the United States Court of Appeals for the Eighth Circuit (A-1)* is not yet published in official reports; but is designated in the two cases involved as Numbers 74-1325 and 74-1353 in the records of the United States Court of Appeals for the Eighth Circuit.

GROUNDS ON WHICH JURISDICTION OF THIS COURT IS INVOKED

The judgment of the United States Court of Appeals for the Eighth Circuit was entered on February 7, 1975. The jurisdiction of this Court is invoked under the provisions of 28 U.S.C. § 1254(1); and because of the need for this Court to harmonize conflicting and irreconcilable holdings between the United States Court of Appeals for the Eighth Circuit and United States Courts of Appeals for other circuits.

QUESTION PRESENTED

Does Plaintiff, who manufactures and sells goods under a trademark in the Northwest from one manufacturing plant, engages in national advertising of the goods under the trademark, and commences manufacture and sale of the goods under the same trademark in the Midwest from a second manufacturing

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* Reference is to page number of the Appendix.

plant, have a right of action against a second user, who sells the same goods under the same trademark in the Midwest and commenced sale of the goods after Plaintiff's use in the Northwest, after Plaintiff commenced manufacturing the goods in its second manufacturing plant and engaged in national advertising, but before Plaintiff shipped goods with the trademark from the second manufacturing plant into the Midwest?

STATEMENT OF THE CASE

This case is one which involves common law trademark rights. The cause of action was commenced when Plaintiff, Allen Homes, Inc., filed its Complaint in the United States District Court for the Western District of Missouri, alleging that Defendants, Jack H. Weersing and Elk River Homes, Inc., infringed the trademark rights of Allen Homes and unfairly competed with Allen Homes. The Trial Court's jurisdiction was founded upon 15 U.S.C. § 1121 and 28 U.S.C. § 1338.

Plaintiff manufactures and sells mobile homes under the trademark FOUR SEASONS. Defendant, Elk River Homes, also manufactures and sells mobile homes under the trademark FOUR SEASONS. Defendant, Jack H. Weersing, is President and principal stockholder of Defendant, Elk River Homes.

Plaintiff started manufacturing and selling FOUR SEASONS mobile homes in the northwestern part of the United States in mid-1969. Plaintiff also commenced building a plant for the manufacture of FOUR SEASONS mobile homes in Kansas in mid-1969. Plaintiff's mobile homes built in the Kansas plant were to be sold in the western part of the Midwest. In early 1969, Plaintiff commenced a national advertising campaign for its FOUR SEASONS mobile homes. Plaintiff commenced building FOUR SEASONS mobile homes in its Kansas plant in January of 1970. Defendant shipped its first FOUR SEASONS

mobile home to a dealer in Missouri on February 18, 1970. On March 2, 1970, Plaintiff completed its first FOUR SEASONS mobile home in its Kansas plant; and shipped that mobile home to Iowa on March 6, 1970. Plaintiff continued to ship FOUR SEASONS mobile homes from its Kansas plant to the western portion of the Midwestern states. Plaintiff notified Defendants of its prior use of the trademark FOUR SEASONS for mobile homes in writing on June 5, 1970 and July 6, 1970. Defendants ignored Plaintiff. Although Plaintiff sold in the critical states of Kansas, Arkansas and Missouri for only a portion of 1970, Plaintiff's sales in Kansas for 1970 were $923,758; in Missouri for 1970, $255,389; and in Arkansas for 1970, $33,335, for a total of $1,212,482. There were negotiations between the parties in late 1971 and early 1972. Plaintiff instituted the action in the Trial Court against the Defendants on April 3, 1972.

Specific dates of occurrence of certain activities of the parties which led up to the Complaint are set forth below in tabular form:

January, 1969	Plaintiff commenced negotiations to build a plant in Junction City, Kansas, for the manufacture of mobile homes.
February 10, 1969	Plaintiff entered into a lease to rent premises for a plant in Olympia, Washington, for manufacture of mobile homes.
February 26, 1969	Plaintiff let construction bids for building a plant in Junction City, Kansas, for manufacture of mobile homes.
April 30, 1969	Plaintiff entered into an agreement for the construction of a plant in Junction City, Kansas, for the manufacture of mobile homes.
May 1, 1969	*The Junction City Union*, a newspaper of general circulation, carried a story that

	Plaintiff would manufacture FOUR SEASONS mobile homes in its Kansas plant for sale in the States of Kansas, Nebraska, Iowa, Missouri, Colorado and Arkansas.
May 13, 1969	Plaintiff completed its first FOUR SEASONS mobile home in its Olympia, Washington, plant.
May 16, 1969	Plaintiff commenced shipping its FOUR SEASONS mobile homes to a dealer in the State of Washington.
June 5, 1969	Plaintiff broke ground for the construction of its plant in Junction City, Kansas, for manufacturing FOUR SEASONS mobile homes.
June 11, 1969	Plaintiff commenced shipping its FOUR SEASONS mobile homes into the State of Oregon.
July 22, 1969	Plaintiff commenced shipping its FOUR SEASONS mobile homes into the State of Alaska.
August 19, 1969	Plaintiff commenced shipping its FOUR SEASONS mobile homes into the State of Idaho.
October 27, 1969	Plaintiff commenced shipping its FOUR SEASONS mobile homes into the State of Montana.
January 19, 1970	Plaintiff commenced building FOUR SEASONS mobile homes in its plant in Junction City, Kansas.
February 18, 1970	Defendants commenced shipping FOUR SEASONS mobile homes from their plant

	near South West City, Missouri, to a dealer in Missouri.
March 2, 1970	Plaintiff completed its first FOUR SEASONS mobile home in its plant in Junction City, Kansas.
March 6, 1970	Plaintiff commenced shipping FOUR SEASONS mobile homes from its Junction City, Kansas, plant into Iowa.
March 13, 1970	Plaintiff commenced shipping FOUR SEASONS mobile homes from its Junction City, Kansas, plant into Missouri.
March 20, 1970	Plaintiff commenced shipping FOUR SEASONS mobile homes to a dealer in Kansas.
March 24, 1970	Defendants commenced shipping FOUR SEASONS mobile homes into Oklahoma.
April 3, 1970	Plaintiff commenced shipping FOUR SEASONS mobile homes into Nebraska.
April 3, 1970	Plaintiff commenced shipping FOUR SEASONS mobile homes into Colorado.
April 21, 1970	Plaintiff commenced shipping FOUR SEASONS mobile homes into Utah.
April 22, 1970	Defendants commenced shipping FOUR SEASONS mobile homes into Arkansas.
April 24, 1970	Plaintiff commenced shipping FOUR SEASONS mobile homes into South Dakota.
May 6, 1970	Defendants commenced shipping FOUR SEASONS mobile homes into Kansas.
May 7, 1970	Defendants commenced shipping FOUR SEASONS mobile homes into Texas.
May 20, 1970	Plaintiff commenced shipping FOUR SEASONS mobile homes into Arkansas.

June 5, 1970	Defendants received a letter from Plaintiff's counsel, advising Defendants of Plaintiff's prior use and demand that Defendants cease use of the mark FOUR SEASONS for mobile homes.
June 11, 1970	Plaintiff commenced shipping FOUR SEASONS mobile homes into Wyoming.
July 6, 1970	Defendants received a second letter from counsel for Plaintiff, demanding that Defendants cease use of the mark FOUR SEASONS for mobile homes.
July 15, 1970	Plaintiff filed an application to register the trademark FOUR SEASONS in the United States Patent Office.
November 3, 1970	Defendants commenced shipping FOUR SEASONS mobile homes into Colorado.
December 8, 1970	Defendants commenced shipping FOUR SEASONS mobile homes into Arizona.
August 8, 1971	Defendants commenced shipping FOUR SEASONS mobile homes into New Mexico.
October 10, 1971	Plaintiff commenced shipping FOUR SEASONS mobile homes into Oklahoma.
December 1, 1971	Plaintiff purchased a plant in Tampa, Florida, for the manufacture of FOUR SEASONS mobile homes.
December 21, 1971	United States Trademark Registration No. 925,798 issued to Plaintiff on the mark FOUR SEASONS.
January 10, 1972	Plaintiff's counsel wrote to Defendants, advising Defendants of issuance of Trademark

	Registration No. 925,798 to Plaintiff and demand that Defendants cease use of the mark FOUR SEASONS.
February 20, 1972	Plaintiff completed its first FOUR SEASONS mobile home in its Tampa, Florida, plant.
March 3, 1972	Plaintiff sold its first FOUR SEASONS mobile home from its Tampa, Florida, plant.
April 3, 1972	Plaintiff filed its Complaint in the United States District Court for the Western District of Missouri against Defendants.

Plaintiff filed its Complaint on April 3, 1972. The parties engaged in extensive discovery. There were several Orders by the Trial Court relating to discovery, none of which are pertinent to the instant matter. On September 11, 1973, the case was called for trial. Depositions were offered by the parties; and Defendants offered the testimony of two witnesses. There was also an Agreed Statement of Facts submitted during the trial. The Trial Court filed its Memorandum and Order on January 17, 1974 (A-6). Defendants filed a Motion Under Rule 52(b) on January 28, 1974; and Plaintiff filed a Motion Under Rule 52(b) on January 28, 1974. On February 28, 1974, the Court denied Defendants' Motion by its Order (A-13). On March 8, 1974, the Trial Court denied Plaintiff's Motion by its Order (A-14). Plaintiff filed a Notice of Appeal on April 4, 1974; and Defendants filed a Notice of Appeal on April 19, 1974. The United States Court of Appeals affirmed the judgment of the Trial Court on February 7, 1975.

ARGUMENT

MAY IT PLEASE THE COURT:

The reasons for granting the Writ are as follows:

The decision of the United States Court of Appeals for the Eighth Circuit is irreconcilable with the decisions of the United States Courts of Appeals for the First, Third, Fifth and Seventh Circuits. The United States Court of Appeals for the Eighth Circuit answered the question presented to this Court in the negative, while the United States Courts of Appeals for the First, Third, Fifth and Seventh Circuits have answered the question in the affirmative. The *Restatement of Torts*, published by the American Law Institute, would also indicate that the answer to the question would be in the affirmative. Furthermore, the well-respected text writer, Dr. Rudolf Callmann, in his widely-accepted treatise *The Law of Unfair Competition, Trademarks and Monopolies, Third Edition*, published by Callaghan & Company, would indicate the answer to the question to be in the affirmative. Whether the United States Court of Appeals for the Eighth Circuit is in error or the other Courts and authorities are in error should be determined by this Court to give the American businessman some direction for the conduct of important business affairs relating to trademarks and expansion of market areas. Clearly, if Plaintiff had commenced use of its mark FOUR SEASONS for mobile homes in the Eighth Circuit and the second user had been across the Mississippi River in the Seventh Circuit, Plaintiff would have prevailed, as will be seen hereinafter. It follows that the irreconcilable differences between the Eighth Circuit and other Circuits should be put to rest.

The Eighth Circuit Position

The Court of Appeals for the Eighth Circuit succinctly sets forth its position in this area of the law when it states:

> "Allen Homes urges that the following factors are sufficient to support its claim: (1) its status as first user, (2) its announced intention to market FOUR SEASONS mobile homes in the midwestern states, (3) its national advertising, and (4) the commencement of erection of its plant in Junction City, Kansas. We disagree." (A-4)

It is respectfully submitted that the Courts of Appeals for other Circuits would disagree with the result reached by the Court of Appeals for the Eighth Circuit, as is set forth below.

The First Circuit

The Court's attention is called to the decision of the United States Court of Appeals for the First Circuit in *J & K Sales Company, Inc. v. Gemex, Inc.*, 166 F. 2d 569 (1948), wherein the Court, in a *per curiam* decision, affirmed the United States District Court for the District of Rhode Island, *Gemex Company v. J & K Sales Company, Inc.*, 76 F.Supp. 150 (1947). From the District Court decision, it is clear that Plaintiff first user started using the marks BARON and BARONESS for watch bracelets on January 17, 1946 and February 12, 1946, respectively; and that Defendant did not use the mark BARON before January 25, 1946 and the mark BARONESS before April 26, 1946. The Court found for Plaintiff without regard to market area, even though Defendant had no knowledge of Plaintiff's prior use.

The Third Circuit

A leading case on identical names in different market areas is *Ambassador East, Inc. v. Orsatti, Inc.*, 257 F.2d 79 (C.A. 3—1958). Plaintiff, Ambassador East, Inc., started using the name PUMP ROOM to identify a dining room in Chicago in 1938. Defendant, Orsatti, Inc., started using the trade name PUMP

ROOM for a restaurant in the city of Philadelphia in about 1951. The Court found that Plaintiff, Ambassador East, is entitled to have its name protected, even though there is substantial distance between Philadelphia and Chicago.

The Fifth Circuit

In *Thompson v. Alpine Motor Lodge, Inc.*, 296 F.2d 497 (C.A. 5—1961), Plaintiff-first user operated "Alpine Lodge" Motel in Macon, Georgia. Defendant operated "Alpine Motor Lodge" Motel one hundred miles away in Tifton, Georgia. The Trial Court dismissed Plaintiff's Complaint. The Court of Appeals reversed, and remanded for a trial on certain questions; but held that the first user had a right of action. In *Alpine Motor Lodge, Inc. v. Thompson*, 324 F.2d 374 (1963), the Court of Appeals for the Fifth Circuit held that "Alpine Motor Lodge" and "Alpine Lodge" are so confusing as to be an encroachment on the rights of each other.

The Seventh Circuit

The Court of Appeals for the Seventh Circuit decided *Tisch Hotels, Inc. v. Americana Inn, Inc.*, 350 F.2d 609, in 1965. The factual situation of the *Tisch Hotels* case is quite similar to the present case, although there was no direct competition between the parties in *Tisch*, as there is in the present case. In *Tisch*, Plaintiffs owned a number of hotels, three of them bearing the name "Americana", the first of which opened in Miami Beach, Florida. Other hotels bearing the same name opened in New York and San Juan, Puerto Rico, in September, 1962, and November, 1962, respectively. Defendants owned and operated two motels in the Chicago area, one of which opened in March of 1957 and the other in April of 1961. Plaintiffs learned of Defendants' use of the word "Americana"; and applied for an application to register "Americana" as a service mark. Regis-

tration was granted on September 11, 1962. Plaintiffs obtained other registrations for "Americana". The Court held that, though the marks are used in different market areas, Defendants' reputation could affect Plaintiffs' business; and, accordingly, held for the first users, Plaintiffs.

Restatement of Torts

Section 732 of the *Restatement of Torts*, published by the American Law Institute, states:

> **"EXTENT OF PROTECTION WITH REFERENCE TO TERRITORIAL MARKETS.**
>
> The interest in a trade-mark or trade name is protected, under the rule stated in § 717, with reference only to territory from which he receives or, with the probable expansion of his business, may reasonably expect to receive custom in the business in which he uses his trade-mark or trade name, and in territory in which a similar designation is used for the purpose of forestalling the expansion of his business."

The comment by the American Law Institute clearly indicates that there should be a recognition of probable expansion of a person's business. It is submitted that the *Restatement* would also indicate that the answer to the question propounded to this Court should be in the affirmative.

Callmann

Dr. Callmann, in his treatise *The Law of Unfair Competition, Trademarks and Monopolies, Third Edition*, discusses in some detail the question of market expansion in § 76.3, entitled "Expansion of Use and Scope of Protection" under the general heading "The Law of Trademarks." Dr. Callmann indicates that

priority is primarily controlling; but recognizes that there is a balance of interest. In § 76.3(b), he discusses the matter of territorial expansion; and, in § 76.3(b)(1), he discusses the advances made in commerce and modern transportation and communications which "defies boundaries and renders static legal concepts obsolete."[1] It is submitted that Dr. Callmann would also indicate that the answer to the question should be in the affirmative.

CONCLUSION

The United States Court of Appeals for the Eighth Circuit holds that the first user of a trademark on certain goods in a first territory has no cause of action against a second user of the same trademark on the same goods when the second user uses the trademark in a second territory, even though the first user announced plans to sell the goods under the trademark in the second territory, built a plant in the second territory to manufacture the goods and commenced manufacturing the goods in said plant prior to the second user's use of the trademark. The Courts of Appeals for the First, Third, Fifth and Seventh Circuits hold contra. The positions of the various Circuits are irreconcilable. This Court should clarify the law in this area of unfair competition to give uniform direction to businessmen operating throughout the entire country, and to have a uniform result in the Federal Courts.

Respectfully submitted

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[1] 3 R. Callmann, *The Law of Unfair Competition, Trademarks and Monopolies*, § 76.3(b)(1), at 312 (3d Ed. 1969).